

Preparing for a New Era of Environmental Protection

The Mission of the United States Environmental Protection Agency is to protect human health and to safeguard the natural environment— air, water, and land—upon which life depends.

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From its origin, the Environmental Protection Agency (EPA) has led the nation in controlling pollution and other environmental risks to human health and the environment. As a result of decisions made and actions taken, our air, land, and water are now much safer and cleaner than twenty-five years ago—despite population increases and continued economic expansion. While the nation continues to enjoy tremendous benefits from these improved conditions, EPA is looking ahead to determine how it can help assure similar gains for the future. This Strategic Plan provides an opportunity for the Agency to explain to the American people how and where it will focus its attention and resources over the next five years.

Defining a strategic vision for the future has never been more important for EPA. Critics and advocates alike are coming forth with diverse, and often contradictory, ideas about how to improve the nation's environmental regulatory system. This has sparked an important public debate about how our traditional system must evolve in response to the environmental and economic realities of a new century. We are at a crossroad, and it is clear that the solutions of the past will no longer suffice.

EPA understands the reasoning behind the arguments being made for change and is already working to address many of them. None of these efforts represents a single definitive solution. But collectively, they symbolize an openness to change that must exist for a new era of environmental and public health protection to evolve.

It is with this evolution in mind that EPA managers and staff have undertaken the challenge of reinventing environmental protection. Consistent with a pledge made in 1995 by President Clinton, Vice President Gore, and Administrator Carol Browner to make the federal government work better and cost less, the Agency continues to investigate promising opportunities for strengthening our current environmental regulatory system. Understanding EPA reinvention efforts—the challenges driving them, how they are being pursued, and what they may mean for the future—is critical to understanding the choices and directions represented in this Strategic Plan.

Today's Challenges

As Congress has passed legislation to address environmental and human health threats, EPA has responded with a comprehensive set of regulations aimed largely at controlling the most obvious risks, such as pollution from large industries and municipal operations. This system is the means through which national environmental standards are set, permits are issued, compliance is monitored, and if necessary, enforcement actions are taken.

The logic and efficiency of managing environmental and human health risks in this manner are widely recognized, and yet, over time, limitations also have become clear. Insufficient flexibility in regulatory requirements that produce increasingly smaller levels of return can impose additional costs on industries and communities. Prescriptive controls can discourage technological innovation that could help lower costs and achieve environmental benefits beyond those achieved under current mandates. More importantly, a system focused largely on “end-of-pipe” pollution simply is not effective at addressing a number of emerging risks, such as polluted runoff or ozone depletion. Such risks are expected to escalate in the coming years as our population continues to grow and as our economy expands to accommodate an increasingly global marketplace. As we look to the future, EPA must address the limitations that exist within our current regulatory system and prepare to manage new risks as they emerge.

EPA's Response

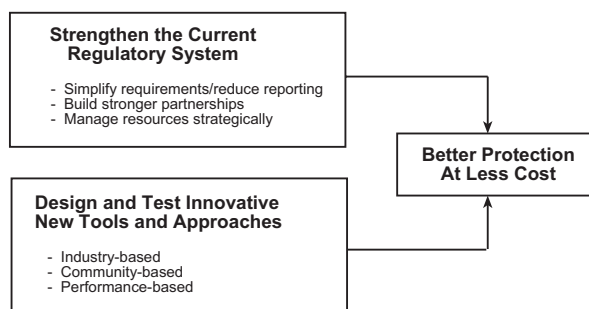
As Figure 1 shows, EPA has adopted a dual-tiered strategy to meet this challenge. On one level, EPA is working to strengthen those features of the current system that have proven effective. Regulations are being simplified and reporting requirements are being reduced where possible so that regulated facilities as well as governmental agencies can focus their resources more productively.

Strengthening the current system also means strengthening relationships -- internally and externally -- to ensure that all potential talents, resources and perspectives are brought to bear on the problems that remain. EPA is working to build stronger alliances with a multitude of partners, but it is especially focused on improving working relationships with the states.

Finally, EPA is handling its resources much more strategically. Last year, the Office of the Chief Financial Officer was established to integrate planning, budgeting, analysis and accountability activities throughout the Agency.

Figure 1

A Dual Strategy for Reinventing Environmental Protection



On another level, EPA is working to develop fundamental new tools and approaches to advance environmental and human health protection beyond our current capabilities. EPA and many external stakeholders are now asking, "How do we move beyond mere compliance with environmental standards and create a system that consistently delivers better results?" EPA believes that better results will be achieved through performance-based approaches that create incentives for continuous improvements, and through tailored management strategies that take into account the unique conditions and circumstances facing specific industries or communities.

To get better environmental protection at reasonable cost, EPA will use the results from experiments with innovative approaches to make broader changes to the Nation's environmental management system. Reinvention of environmental protection involves rethinking specific steps of the regulatory process, such as setting standards and writing regulations, issuing permits, collecting environmental reports about pollution, providing assistance to help business comply with the law and conducting enforcement actions. Working with states and other partners, EPA is incorporating successful innovations into the daily operation of environmental programs.

Today, the Agency is developing performance-based approaches that can lead regulated facilities to invest in environmental improvements that might not otherwise be pursued. For example, through Project XL, which stands for eXcellence and Leadership, facilities are offered regulatory flexibility if their alternative management strategy promises better results than would otherwise be achieved under the current regulatory system -- and if they actively involve interested stakeholders.

EPA is also looking for ways to better address the environmental challenges of specific industry sectors. Our regulations are structured to control pollution in specific environmental media -- such as air, land, water -- not from specific industry sources. As a result, industries are often faced with the difficulty of having to track, understand, and comply with multiple requirements under each environmental statute. Through the Common Sense Initiative, EPA and multiple stakeholders are exploring how to replace the pollutant-by-pollutant approach of the past with a more comprehensive industry-by-industry approach for the future. Participants are looking at all regulatory responsibilities as a step towards simplifying requirements and encouraging practices that could improve environmental performance while also cutting costs.

A similar need for more tailored environmental management strategies at the local level has led EPA to develop more community-based environmental protection tools. Grants to help concerned stakeholders understand technical issues affecting their community, a new website featuring the latest tools for community-based environmental protection, and a new community-right-to-know program dedicated to improving public access to environmental information are just a few examples of how EPA is reaching out to create a system more responsive to local

Preparing for a New Era of Environmental Protection

priorities.

Today, these reforms are redefining our environmental management system. In addition to the traditional tools that have proven effective in the past, businesses, communities, government agencies, and private citizens are gaining access to a much broader menu of choices for determining how to best meet their interests and responsibilities. Facility-wide and multimedia permits provide an alternative to the traditional issuance of multiple permits for one location. A risk-based approach to monitoring allows regulated facilities to focus their resources on collecting more useful data. Electronic reporting systems are providing a quicker, easier, and more accurate means of submitting information. And new compliance assistance centers help facilities better understand regulatory requirements. As these examples show, reinventing environmental protection means improving and expanding the current system—not replacing it.

Implications for the Future

Ultimately, the changes underway today will have a profound influence on how our nation's environmental goals and objectives are pursued at the turn of the century and beyond. An improved system that delivers consistently better protection at less cost will have five key attributes (Table 1).

- **First, it will provide more flexibility with accountability.** As American companies find themselves operating in an increasingly global marketplace, the ability to make changes to operations without regulatory delay will have a definite impact on their competitiveness. Similarly, an era of rapidly shrinking budgets will force some communities to target limited resources more strategically. Both of these scenarios call for more operational flexibility within the regulatory system. EPA has committed to a variety of actions that cut costs without jeopardizing environmental gains. For example, EPA will continue the reforms it has started in several permitting programs. These reforms reduce permit processing time and lower information requirements in permit application and re-application.
- **Second, it will allow greater public access to information.** Rapid advancements in information technology, coupled with the public's interest and willingness to become involved in environmental issues, will increase demands for information. An improved system must focus on improving the quantity, quality, timeliness, and accessibility of environmental information from multiple sources.

Table 1
Changes Underway: A Snapshot of Reinvention

Attribute	Reform Effort	Results
Flexibility with accountability	Common Sense Initiative	Over 40 projects testing industry-by-industry approaches to environmental regulation
	Project XL	Three projects using alternative regulatory approaches
	Brownfields	Over 70 communities cleaning up abandoned, idled, or under-utilized industrial and commercial sites
	Permit Improvements	Streamlined administrative processes, flexible permit approaches (e.g. pollution prevention) and increased public participation
Better public access to information	One-stop reporting	Eleven states developing and testing integrated environmental reporting systems
Strong partnerships	National Environmental Performance Partnership System	Performance Partnership Agreements with nearly half the states
	Voluntary Programs	Over 7,000 companies voluntarily improving environmental performance
Easier compliance with environmental laws	Compliance Assistance Centers	Four centers operating to help small businesses better access and understand environmental requirements
	Environmental Leadership Program	New mechanism to encourage and recognize strong compliance
Less red tape	Line-by-line review of regulations	Total regulatory burden cut by nearly 16 million hours

- **Third, an improved system will reflect strong partnerships.** As no single entity can ensure environmental and public health protection, EPA must continue to build a broader, more diverse network of stakeholders to share responsibilities for protecting public health and the environment.
- **Fourth, it will facilitate compliance with environmental laws.** Ensuring that companies and communities comply with environmental laws will always be one of EPA's highest priorities. However, it is just as important for EPA to find ways of making compliance easier to achieve. An improved system will provide the regulated community with assistance and compliance information that is more understandable and accessible.
- **Finally, an improved system for the future will involve less red tape.** Real gains for protecting public health and the environment come about through work at state and local levels—in manufacturing facilities, around community recycling centers and water treatment plants, and across the rural countryside. Cutting unnecessary, obsolete, or duplicative requirements and paperwork so that those with environmental responsibilities can focus on solving the problems at hand will continue to be an important responsibility for EPA.

EPA is eager to continue experimenting with new tools and approaches for achieving better results in the future. However, the Agency will not allow actions that jeopardize the gains of the past. Reforms will continue to be developed and managed with care. In all cases, we will incorporate strong accountability requirements to guard against failure to meet national standards. Providing strong safeguards will allow the search for innovative solutions to continue without compromising the levels of environmental and public health protection that the American people have come to expect.

EPA's Partners in Change

As EPA strives to create a stronger system for protecting public health and the environment, it cannot act alone. Rather, it must encourage all interested stakeholders—other governmental agencies, business and industry, environmental and public interest groups, and private

citizens—to participate in the discussion, design, and implementation of new ideas.

Engaging interested stakeholders as partners in change is important for many reasons.

- **First, EPA alone does not have all the answers.** As we proceed with policy and decision making, external stakeholders have different perspectives that can and should be considered. For example, as the front-line implementors of many federal requirements, state environmental officials have insights on what may or may not work well. Similarly, business and industry have strong opinions about how federal environmental policies affect their operations and overall competitiveness nationally and abroad. In order to harness long-term, broad-based support, many diverse views and opinions must be taken into account.
- **Second, additional partners mean more efficient use of resources.** In a time when Congress and the Administration are eliminating the federal deficit, it is more important than ever to assure that federal dollars achieve the greatest possible gain. Leveraging resources through partnerships can provide this assurance, and help create mutually beneficial situations for the public and private sectors.
- **Third, partnerships are critical because some challenges are best addressed at the local level.** Problems such as controlling polluted runoff require more tailored, community-based approaches that take into account the unique conditions and circumstances surrounding a particular issue or area. In these cases, EPA's most effective course of action is to offer technical tools and financial assistance that empower its local partners.

For these reasons, building and maintaining strong partnerships continues to be one of the Agency's highest priorities. This priority is reinforced by the strong interest that key constituencies have shown in experimenting with new tools and approaches. Indeed, as the following summaries show, EPA is working with key partners to achieve common goals in promising and often unprecedented ways.

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Federal Agencies

Among the partners with whom EPA will work most closely are other Federal agencies. EPA's responsibilities for human health and the environment intersect with or support the work of nearly 20 other Federal departments or agencies. For this reason, EPA must work closely with them to ensure that the Agency's resources are directed in a way that complements other Federal initiatives and supports the achievement of our common goals. While the Agency has worked extensively with these agencies in the past, the process of developing this Strategic Plan underscored the importance of strong coordination among agencies with similar or interrelated functions.

Much work remains to be done. Potential areas for interagency activities include developing performance measures for comparable functions, linking target performance levels in cross-cutting programs and identifying and eliminating duplicative program activities. As agencies work in tandem to address these concerns, they will strive to leverage resources, clarify responsibilities and improve the products and services provided to the American public. The attached appendix, "Consultation and External Stakeholder Input," provides EPA's outlook on interagency coordination.

States

State governments have primary responsibility for implementing most environmental programs, carrying out day-to-day activities such as issuing permits, conducting compliance and enforcement programs, and monitoring environmental conditions. A strong and effective state-EPA partnership is, therefore, fundamental to the achievement of EPA's goals and objectives.

EPA and the states have worked as public partners in a number of productive ways. An important milestone in our collaboration was reached in May 1995, when EPA joined forces with the Environmental Council of the States (ECOS) to establish the National Environmental Performance Partnership System (NEPPS). Performance partnerships between EPA and the states represent a new working relationship--one in which EPA and the states determine together what work will be carried out on an annual basis, and how it will be accomplished. Traditionally, the process for addressing environmental and public health priorities has been conducted separately under each of EPA's various statutory authorities. In the past, states have submitted as many as 16 annual work plans and

received multiple grants to support their air, drinking water, hazardous waste, and other pollution control activities. Besides promoting a fragmented approach to environmental problems, this traditional process tended to emphasize administrative management and oversight rather than effectively direct efforts to reduce environmental hazards.

NEPPS partnerships give EPA a clearer understanding of actual problems and conditions and encourage states to focus on the issues most in need of attention. They also allow the Agency and the states to reduce time and resources formerly devoted to administrative and oversight activities. Performance partnerships are helping to shape a fundamentally different relationship between EPA and the states. Recognizing their potential advantages, nearly half the states decided this year to put partnerships to the test. This important program is discussed in greater detail in the section entitled, "New Ways of Achieving Our Overall Mission: Key Cross-Agency Programs."

Indian Tribes

EPA understands that we have a trust responsibility to federally recognized tribes across the country. The Agency is committed to working with tribes to assure the protection of human health and the tribal homeland environment in a manner consistent with a government-to-government relationship and our interest in conservation of cultural uses of natural resources. We are working to enhance partnerships with the tribes to address specific environmental and public health goals. These partnerships are discussed in greater detail later in this document, and emphasize the Agency-wide, multimedia nature of our support for tribal implementation and priorities identified in Tribal/EPA Environmental Agreements or other plans.

Local Governments

It is at the local, community, and neighborhood level that environmental problems often originate and must be resolved. Engaging local leaders and communities in the effort to meet future environmental challenges is critical to achieving successful outcomes. EPA realizes that local governments must be empowered to fully realize their stewardship responsibilities, and we are working to ensure that local governments have access to the information, expertise, and resources necessary to build comprehensive, long-term environmental solutions at the local level.

Industry

Just as EPA's relationships with state, tribal, and local governments are evolving, so too are our relationships with industry. After twenty-five years of focusing almost exclusively on across-the-board compliance with environmental standards, the Agency is now offering more tailored approaches that recognize the various levels of environmental performance and commitment that exist within the private sector.

Because small businesses may not always have the staff or resources needed to gain a full understanding of regulatory requirements, a number of EPA efforts now offer assistance. For example, EPA has opened compliance assistance centers to provide companies in four industrial sectors with quicker, easier access to information about how to achieve and maintain compliance. Additionally, a new small business compliance policy encourages businesses to participate in compliance assistance programs, conduct environmental audits, and promptly disclose and correct violations. As an incentive, EPA will waive or reduce penalties for first-time violators as long as there is no criminal activity and no imminent threat to health, safety, and the environment.

The Agency is also developing incentives for companies that are willing and capable of not just meeting, but exceeding, today's national standards. Many companies now have mature environmental management programs, knowledgeable and experienced staff, and access to technological advancements that make such achievements possible. This interest in exceeding requirements is one of the most profound indicators of evolution in environmental and human health protection. It suggests that, in time, our national environmental standards may come to represent a performance floor to maintain, rather than a ceiling to reach.

One way EPA is encouraging better performance is through a variety of voluntary environmental programs offering companies public recognition and certain kinds of assistance in improving their operations. In 1995, over 6,000 participants in voluntary programs saved millions of dollars while helping to:

- Cut toxic pollution by 750 million pounds—the equivalent of 3 pounds for every man, woman, and child in America.
- Eliminate nearly 2 million tons of solid waste.
- Reduce greenhouse gas emissions by preventing over 13 million metric tons of CO₂ emissions.

Public Interest Organizations

EPA works with many stakeholder organizations across the country—environmental, labor, and public advocacy groups—that play a separate and distinct role in protecting the environment. They often serve as watchdog groups in the workplace and communities, and provide EPA with invaluable information on the concerns of citizens impacted by the policies and decisions made by government. Their members are the eyes and ears of our communities, monitoring activities affecting the health and well-being of their children, families, and neighbors in the places they live, work, and play.

The Public

Americans care deeply about the quality of their environment. This widely held concern is evident in the growing number of people and organizations working to improve environmental quality in a variety of ways. Concerned and committed citizens can be found cleaning up abandoned waste sites, planting vegetation and restoring habitat, and promoting recycling in their communities. Citizens also are taking a more active role in environmental decision making—demanding a seat at the table as local, state, and national issues are debated.

Recognizing the value and potential of a well-informed and committed citizenry for affecting positive change, the Agency supports meaningful public involvement in environmental issues. Today, EPA offers community-based tools and financial assistance to empower people at the local level. The Agency is expanding participation in the regulatory process through consensus-based approaches and negotiated rulemaking.

Finally, we are employing new technologies to make information more accessible and relevant to the public. Efforts are underway to make environmental data more timely, more accessible and more understandable, so that it can be used more effectively.

Conclusion

The changing character of EPA's relationships with the public, the regulated community, and other governmental partners has provided many benefits. Collaborative approaches are making possible the expansion of programs to support human health and environmental protection, effectively and with greater efficiency. Best of all, EPA's strategies for the coming years promise to be responsive to the needs of stakeholders because of the steps we have taken to strengthen our alliances with them throughout the planning process.